

FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

OFFICE OF
MANAGING DIRECTOR

JAN 08 2002

Mr. Jack Lotsof
Stereo 97, Inc.
276 Nassau Avenue
Buffalo, New York 14217

Re: Request for Waiver of FY 2002
Regulatory Fee
Fee Control No.: 00000RROG-02-095

Dear Mr. Lotsof:

This letter responds to your request for a waiver of the Fiscal Year (FY) 2002 regulatory fee of \$375 submitted on behalf of FM station KAVV, Benson, Arizona, licensed to Stereo 97, Inc.

You recite that Stereo 97, whose sole business is KAVV, lost \$65,371 in the fiscal year ended June 30, 2002. You state that only one of the licensee's three corporate officers receives compensation for his work in the amount of \$30,450 and that he is also the station's full-time general manager. In support of your request for waiver, you submit financial statements for the years ended June 30, 2001 and June 30, 2002.

In establishing a regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." See Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994), recon. granted, 10 FCC Rcd 12759 (1995).

Our review of your submission indicates that Stereo 97 suffered operating losses in fiscal years 2001 and 2002 of \$72,039 and \$65,371, respectively, and that these deficits were only partially offset by the salary paid to one officer and a deduction for depreciation. Accordingly, in light of your compelling showing of financial hardship, your request for waiver of the FY 2002 regulatory fee is granted.

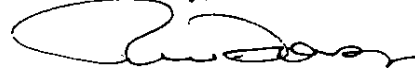
You have also requested confidential treatment of the materials that you submitted with your fee waiver request. Pursuant to Section 0.459(d)(1) of the Commission's rules, 47 C.F.R. 0.459(d)(1), we do not routinely rule on requests for confidential treatment *until* we receive a request for access to the records. The records are treated confidentially in the meantime. If a request for access to the information submitted in conjunction with your regulatory fees is received, you will be notified and afforded the opportunity to respond at that time.

Mr. Jack Lotsof

2.

If you have any questions concerning this letter, please contact the Revenue and Receivable Operations Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark A. Reger', with a large, stylized initial 'M'.

 Mark A. Reger
Chief Financial Officer

00000R06-02-095

STEREO 97, INC.

276 NASSAU AVENUE - BUFFALO, NEW YORK 14217
716 076-6924

September 19, 2002

Att'n: Regulatory Fee Waiver/Reduction Requests
Office of the Managing Director
Federal Communications Commission
450 12th Street, S.W., Room 1-A625
Washington, D.C. 20554

Re: Waiver of Mass Media Regulatory Fee for
FM Radio Station KAWV, Benson, Arizona

Gentlemen:

Please accept this letter and the accompanying Financial Statement as this licensee's application for waiver of the regulatory fee for FM Radio Station KAWV for fiscal year 2002, pursuant to 41 CFR §1.1166, 9 FCC Rcd 5333, 5346 (1994).

As the enclosed financial statement shows, in its fiscal year ended June 30, 2002, Stereo 91, Inc., whose sole business is KAW, lost \$65,311, on a cash basis. Disregarding depreciation, the operating loss for the year ending June 30, 2002 was \$60,514. KAW has never been profitable, probably because it serves such a small market.

The officers of Stereo 91, Inc. and the respective amounts of their compensation from the said business in FY2001-02 and currently are:

Jack Lotsof, Resident	None
Paul S. Lotsof, Vice Resident	\$30,450/year
Frances S. Lotsof, Secretary/Treasurer	None

In evaluating a corporation's profitability, in some instances salaries paid to passive owners, officers and directors should be excluded. However, in this station's case, such exclusion would be inappropriate, since the only compensated owner, officer or director, the station's Vice Resident, worked full time managing the station on a day-to-day basis. The compensation he received was not by any means an unearned distribution. Paul S. Lotsof's sole employment was his full-time position as KAWV's general manager. During the referenced fiscal year, he worked more than sixty hours per week for this station. His salary

RECEIVED SEP 27 2002

Office of the Managing Director
September 19, 2002
Page 2

in the fiscal year was \$30,450, which is an extremely low level of compensation for the position. This salary was his only earned income from any source and represented compensation only for services actually rendered to the station. This employee has more than 35 years' experience in the commercial radio business and would command a higher salary elsewhere. He has dedicated more than 20 years to KAVV, which, in undercompensating him, has taken unfair advantage of this employee. No other employee, consultant or other individual received as much as \$25,000 in any form of compensation in Stereo 91's FY 2001-02.

Over the current (2002-03) fiscal year, KAW is expected again to lose money from on-going operations on a cash basis, excluding depreciation.

Stereo 97, Inc. is solely owned by the undersigned, a retired engineer, 84 years old, on a fixed retirement income. I find it necessary to keep the station on a strict operating budget. Where expenses for one item increase, expenses for other items are forced down. Because of this, the imposition of the regulatory fee necessarily means that expenditures for needed improvements, including equipment and programming, have to be scaled back by an equal amount.

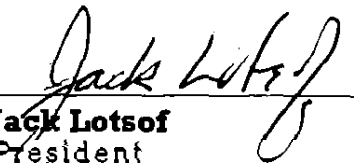
The regulatory fees for this station were waived for FY 1994, 1995, 1996, 1991 and 2000.

If further information is required, please contact me.

May I request that the information contained in this letter and the enclosure be kept confidential to the extent legally possible?

Thank you for considering this waiver application.

Sincerely,
STEREO 91, INC.

By 
Jack Lotsof
President

Encl.m



O'MELVENY & MYERS LLP

LOS ANGELES
CENTURY CITY
IRVINE SPECTRUM
NEWPORT BEACH
NEW YORK
SAN FRANCISCO

1650 Tysons Boulevard
McLean, Virginia 22102

TELEPHONE (703) 918-2700
FACSIMILE (703) 918-2704
INTERNET www.omni.com

SILICON VALLEY
WASHINGTON, D.C.

2003 JAN 30 PM 3:44 HONG KONG

LONDON

SHANGHAI

TOKYO

TELEPROCESSING
1-800-777-7777/TMT

January 27, 2003

VIA COURIER

Tom Putnam
Office of Managing Director
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

OUR FILE NUMBER
882,605-569

WRITER'S DIRECT DIAL
(703) 918-2720

WRITER'S E-MAIL ADDRESS
troseiiberg@oinni.com

Re: US Airways, Inc. et al. - Resubmitted Applications for Aircraft Licenses

Dear Mr. Putnam:

On behalf of US Airways, Inc., Piedmont Airlines, Inc., Allegheny Airlines, Inc. and PSA Airlines, Inc. (collectively "US Airways"), we have resubmitted new applications for aircraft licenses (ULS File Nos. 0001171811, 0001171814, 0001171825, 0001171818 and 0001171833). These applications are identical to the initial aircraft applications filed under ULS File Nos. 0001027259, 0001027256, 0001027250, 0001027242 and 0001027235. The initial applications were dismissed during the pendency of the associated, consolidated fee waiver request submitted to the Office of the Managing Director. The consolidated fee waiver was granted on January 8, 2003. On the advice of staff, we have filed the new aircraft applications as the preferred process for rectifying the dismissal of the initial applications.

Very truly yours,

Todd D. Rosenberg
for OMELVENY & MYERS LLP

Counsel for US Airways, Inc., Piedmont
Airlines, Inc., Allegheny Airlines, Inc. and PSA
Airlines, Inc.

cc: Jeffrey Tobias, Wireless Telecommunications Bureau (**via email**)